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# CIA BOSS CASEY FACES STRIKE THREE

By NILES LATHEM  
WASHINGTON — CIA Director William Casey is on the skids and is expected to be the first casualty of a reshuffle of Cabinet members and aides by President

Reagan. The Post learned last night.

White House and intelligence officials claim no formal decision has been made on any staff and cabinet changes.

But they note that the 78-year old Long Island lawyer has lost the confidence of Reagan and the all-important "old boy network" of intelligence professionals.

Among the reasons for Casey's impending departure, say the sources, are:

- "Incompetent" handling of intelligence information by agency officials.

- The apparent way the CIA's covert war against Nicaragua has gotten "out of control."

What originally was supposed to be a police action to stop the flow of arms from Nicaragua to guerrillas in El Salvador through Honduras is now on the verge of starting a full-scale war, say sources, and has enraged Secretary of State George Shultz.

- Casey never recovered from the Senate Intelligence Committee's probe of his business practices and his appointment of Max Hugel, a man with a questionable business past, as director of covert operations.

- The political fallout from Casey's demands for a CIA role in domestic spying in his presentation of the administration's intelligence charter to Congress.



Associated Press Photo

**CIA Director William Casey may be first victim of President Reagan's reshuffle.**

Casey, known as a political operative more than as an intelligence specialist, is an outsider in the Reagan circle who joined the campaign in 1980, replacing Reagan's chairman, John Sears. The CIA job was a political reward.

No successor to Casey

has been chosen so far, White House officials said.

But the opening would give Reagan an opportunity to put an end to the war between his top advisers, chief of staff James Baker and counselor Edwin Meese. Baker is known to covet the top CIA job.